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**GOP CONGRESS:
LEAVING ON A JET PLANE**

**... don't know when
we'll get any bills again**

After little to show for their work in the first session of the 106th Congress, the Republican Congress is once again packing its bags to leave town without enacting significant initiatives to address the key issues facing ordinary working families across the country: health care, education, the safety of their children, etc. In short, the GOP Congress is leaving town with:

- NO prescription drugs for seniors;
- NO gun safety measures;
- NO managed care reform;
- NO minimum wage increase;
- NO measures to improve public education; and
- NO measures to strengthen Social Security and Medicare.

It is not surprising that the Republicans have accomplished so little over the last three and a half months, because their own leadership has adopted a minimalist, “do-no-harm” strategy to get through this year. Here is their strategy laid out in their own words:

“Different day, same issues. But don’t expect much – if anything to get done this year.”

- Senior Republican Leadership Advisor (Roll Call, 1/24/00)

“It’s minimalism writ large: small proposals, big hoopla.”

- Senior Republican Aide (Washington Post, 1/23/00)

Indeed, in January, Majority Whip DeLay made clear that Republicans planned to “coast” this year – awaiting the election of a GOP President, stating: “Our greatest objectives will only be realized with the active assistance of a President who shares our basic philosophy.” So, unfortunately, for the American people, the GOP majority has decided just to try to score political points this year. For example, the GOP claims that their top priority is getting tax relief for American families – but instead of passing tax cut bills the President will sign, they play politics instead – passing tax cut bills they know the President won’t sign, such as:

- **GOP “Marriage Penalty Relief” Bill Targeted to Wealthy** – Instead of writing a bipartisan marriage penalty relief bill that the President would sign, the GOP wrote a bill targeted to the wealthy, rather than couples paying the marriage penalty. Indeed, over half of the benefits of the GOP bill go to couples who do not pay a marriage penalty, with most of that going to the wealthiest couples.
- **GOP “Small Business Tax Relief” Bill Targeted to Wealthy** – Similarly, instead of writing a bipartisan small business tax relief bill to ease a minimum wage increase, the GOP wrote yet another bill targeted to the wealthy. Indeed, more than 73% of the benefits of the bill’s tax breaks go to the top 1% of taxpayers.

In addition, the GOP has wasted precious legislative time on “bills as press releases” – such as “sunsetting the tax code,” “oil price reduction act,” etc. – that they have no expectation will reach the President’s desk.

The following Special Report gives an overview of how the GOP Congress has failed to achieve results for American families.

- ***NO Prescription Drugs for Seniors***

Democrats Call for Voluntary, Affordable Medicare Prescription Drug Benefit

Since June 1999, President Clinton and congressional Democrats have been fighting for a voluntary, affordable Medicare prescription drug benefit for all of America's seniors. And yet, so far, the GOP Congress has failed to act on this important proposal. In fighting for this proposal, Democrats agree that the four key principles regarding a Medicare prescription drug benefit are that the benefit must be:

- **Voluntary** – Democrats believe that a Medicare prescription drug benefit must be voluntary. Medicare beneficiaries who now have dependable, affordable coverage of their prescription drug costs would have the choice of keeping that coverage.
- **Accessible to All Beneficiaries** – Democrats believe that all Medicare beneficiaries must have access to a reliable benefit. Beneficiaries who join the program would pay the same premium and get the same benefit, no matter where they live.
- **Designed to Give Beneficiaries Bargaining Power** – Democrats believe that a Medicare prescription drug benefit would give seniors bargaining power with drug companies that they lack today. Currently, the millions of seniors without prescription drug coverage are paying about 115% for their prescription drugs of what insured Americans whose drug costs have been negotiated by insurers pay.
- **Affordable to All Beneficiaries** – Finally, Democrats believe a prescription drug benefit must be affordable. As confirmed by CBO in March, premiums under the President's proposal would be only \$24 per month in 2003 and \$48 per month in 2009, when fully phased-in. Furthermore, low-income beneficiaries would receive help with the cost of the premiums.

GOP's Vague Counterproposal Designed to Please The Drug Companies

This year, the GOP has decided that the best way to kill the Democrats' popular proposal is to come forward with a watered-down counterproposal – one that could be supported by their special-interest allies, the drug manufacturers. On April 12, the GOP Leadership outlined its vague principles for a drug proposal. The GOP calls for “private, stand-alone drug insurance coverage,” that would be subsidized only for low-income seniors and those with extraordinarily high drug costs. Not surprisingly, based upon an initial description, “drug manufacturers applauded the House GOP efforts.” (CQ Daily Monitor, 4/11/00) Drug manufacturers apparently believe that this private-sector approach will better protect their large profit margins.

The GOP proposal has many flaws. First, there is no guarantee that any private plans would be available. Many experts have said that private drug-only policies are simply not viable. There is also no guarantee that the private drug policies would be affordable. The subsidies are inadequate and do not extend to the millions of middle-income seniors who need help. As Rep. Stark has pointed out, “[The GOP proposal] appears to be a massive give-away of public money to private insurers and drug companies.”

● ***NO Gun Safety Measures***

It has now been almost exactly one year since the tragic mass shooting at Columbine High School in Littleton, Colorado – a mass shooting that sparked a national debate on the need to reduce gun violence, including making it more difficult for children and criminals to acquire guns. And yet Congress has sent no gun safety measures to the President's desk. The Republican leadership has been using the strategy of **delay, delay, delay** on juvenile justice and gun safety ever since the Senate passed its version of the juvenile justice bill, with bipartisan, sensible gun safety provisions, way back on May 20, 1999. Specifically:

- After the Senate action on May 20, 1999, it took four weeks for the House GOP leadership to bring up and pass a juvenile justice bill – which it finally did on June 17 (although without gun safety provisions);
- It took another six weeks for conferees to be appointed – with the Senate conferees named on July 28 and House conferees named on July 30;
- And now there has been a conference committee on the juvenile justice bill in existence for eight months and **yet the conference committee has not yet held a single substantive meeting!!** (It did have a procedural, “pro forma” meeting on August 5, 1999.)

Indeed, on March 15, the House adopted by a bipartisan vote of 218 to 205 the Lofgren motion that instructed the conferees to hold their first substantive meeting by March 29. Despite the fact that this motion was adopted by a bipartisan vote of 218 to 205, the Republican Leadership simply ignored the motion – allowing the March 29th deadline to pass without any action. Then, even more cynically, on April 11, Republicans voted along with Democrats in favor of the Conyers-Carson-Jackson-Lee-McCarthy motion for the conferees to meet (which passed by the overwhelming vote of 406 to 22) – but they continue to refuse to follow through on their own vote by convening a meeting of the conference!

Key Republicans have indicated that they may very well strip out all gun safety provisions and have the conference committee report out simply a juvenile justice bill:

- On March 14, Majority Leader Armev stated that he would support dismantling the juvenile justice bill to eliminate the Senate-passed gun safety provisions. At his press conference, he stated, “We’re going to break those out [the juvenile crime provisions, excluding gun safety] and move them separately and move them along.”
- Similarly, on March 19, on Face the Nation, Senator Hatch, chair of the conference committee, stated, “I’m thinking of stripping the gun provisions off that bill.”

Perhaps Rep. Carolyn McCarthy (D-NY) summed up the current situation best on March 29:

“Gun violence will kill another 12 children today. Two-thousand seven-hundred ninety-six children have lost their lives since the last time the conference met on August 5th. It is quite clear that the NRA and its allies are playing a stalling game. I am here to say our children can’t wait and the mothers of America can’t wait.”

● ***NO Managed Care Reform***

It has now been six months since the House passed the strong, enforceable Dingell-Norwood Patients' Bill of Rights – over the fierce opposition of the entire House Republican leadership. This bipartisan bill would ensure that medical decisions are once again made by doctors and not by insurance company bureaucrats, would protect HMO patients from insurance company abuses, and would cover all 161 million Americans who have private health insurance. Despite the fact that the Dingell-Norwood bill passed by the strong bipartisan vote of 275 to 151 last October, no managed care reform bill has been sent to the President's desk as of mid-April.

With the GOP Congress having missed its self-imposed deadline of completing the deliberations of the conference committee by March 31, special interests have been given a further opportunity to intensify their efforts to kill a strong, enforceable bill.

Since the vote in October 1999, the House and Senate GOP leadership have used the strategy of **delay, delay, delay** to try to lessen the chance that a strong bill will emerge from conference. Specifically, the GOP strategy of delay has included:

- First, the House GOP leadership delayed four weeks last fall before appointing conferees to the House-Senate managed care conference committee -- with the conferees not appointed until early November;
- Then, there was a delay of four months between the appointing of the conferees in early November and the first meeting of the conferees on March 2. The purpose of this delay was to stop the momentum that was obtained by the strong bipartisan vote in favor of the Dingell-Norwood bill in the House.
- Furthermore, since March 2, the progress of the conferees has been painfully slow. The deadline set by Sen. Nickles for the conference committee to finish its deliberations by March 31 has passed. Now, as of April 13, the conferees have yet to even begin discussing the two most contentious issues in the conference: how many Americans will receive the bill's protections and whether patients can hold their health plans accountable.

As the negotiations in the managed care conference continue at their slow pace, the HMO industry – which has been a key campaign contributor to the Republican Party – has been escalated its lobbying.

Just days before House and Senate lawmakers neared their initial March 31 deadline for coming to agreement on the Patients' Bill of Rights, the American Association of Health Plans (AAHP) launched a two-week, \$200,000 nationwide ad campaign to kill the bipartisan bill. The new round of slick Madison Avenue "issue ads" are aimed at focusing the debate over patients rights toward medical errors, as opposed to HMO lawsuits. The American Medical Association, the American Hospital Association, and the American Nurses Association have written to AAHP asking them to pull the ads. Indeed, the AMA stated, "Apparently, the AAHP is only interested in patient safety as a tool to block enactment of meaningful patients' rights legislation."

- ***NO Minimum Wage Increase***

President Clinton and congressional Democrats have been pressing for a one-dollar increase over two years in the minimum wage since January 1998. Indeed, in each of his last three State of the Union Addresses, President Clinton has highlighted his call for this increase. And yet, since January 1998, congressional Republicans have been blocking this minimum wage increase. This GOP delay is costing minimum wage workers and their families needed income – in the seven months that have gone by since the Democrats’ bill of 1999 would have gone into effect, families have lost more than \$600.

The issue of raising the minimum wage is, more than anything else, an issue of simple justice for millions of hard-working Americans. Justice on this issue has been delayed for too long. People who work to support a family earning the minimum wage have seen their paychecks eroded by inflation. The purchasing power of the minimum wage today is **29% below** what it was in 1968. This is largely due to the fact that during the 1980s, a Republican Administration insisted on freezing the minimum wage at \$3.35.

After delaying action for two years, late in 1999, House and Senate Republicans decided that the best way to fight off a reasonable minimum wage increase was to play politics with the issue. House and Senate Republicans have come up with two tricks up their sleeves. First, their GOP minimum wage bills fail to give minimum wage workers a dollar increase over two years, spreading the increase out over three – thereby shortchanging these workers. Secondly, with the height of cynicism, House and Senate Republicans have attached to their minimum wage bills packages of massive, special-interest tax breaks that they have known the Administration has vowed to veto.

Senate Republicans acted first. In November 1999, they passed a minimum wage proposal that: 1) spread the one-dollar increase over three years; and 2) included a package of special-interest tax breaks totaling over \$50 billion over ten years. Then, on March 9, House Republicans finally brought a minimum wage bill to the Floor. The House GOP minimum wage proposal, like the Senate GOP bill, spread the one-dollar increase out over three years. Fortunately, however, Democrats and moderate Republicans were successful in amending the GOP bill to provide the increase over two years instead. In addition, House Republicans attached to the minimum wage bill a package of special-interest tax breaks even larger than the Senate Republicans’ – tax breaks totaling \$122 billion over ten years.

While the Republicans called their tax bill a “Small Business” tax cut, targeted to help small businesses cope with the costs of an increased minimum wage, those that would actually benefit the most from their bill were big businesses and the most wealthy. For example, instead of the estate tax provisions being targeted to benefit small businesses, they were targeted to benefit the wealthiest families. Indeed, more than 73% of the benefits of the tax breaks would go to the top 1% of taxpayers – people with incomes over \$319,000.

Hence, with utter cynicism, House and Senate Republicans are holding a minimum wage increase for hard-pressed working families hostage to an enormous tax cut package targeted to their wealthy friends.

- ***NO Measures To Improve Public Education***

Blocking Democratic Agenda to Improve Public Education

The Republicans are also leaving town without enacting any measures designed to improve the nation's public schools. Ever since January 1999, Democrats have been promoting a multi-pronged agenda to improve education – including initiatives to reduce classroom size, improve the quality of teaching, modernize our school facilities, institute new accountability measures, and increase access to higher education. Instead of joining hands with Democrats to adopt these initiatives, Republicans have done their best to eliminate the Class Size Reduction initiative and have blocked enactment of several of these other initiatives.

For example, one key initiative that Republicans have continuously blocked is the School Modernization Initiative. Republicans have been blocking this Democratic initiative since 1996. On March 28, Rep. Nancy Johnson (R-CT) joined with Rep. Charles Rangel (D-NY) to introduce a bipartisan School Modernization Initiative – which is very similar to the original Democratic initiative. This bipartisan initiative would provide federal tax credits to pay interest on \$25 billion in bonds to build and modernize 6,000 public schools. And yet the GOP leadership is also blocking consideration of this bipartisan initiative.

Instead, Pursuing GOP Agenda To Undermine Public Education

Instead of working with Democrats to enact major initiatives to improve the nation's public schools, the GOP leadership continues on an opposite course – pursuing the same failed GOP agenda focused on diverting scarce taxpayer dollars from public schools in order to subsidize attendance at private and religious schools. Key components of the GOP education agenda remain the following:

- **Education Savings Accounts** – One of the GOP top priorities remains Education Savings Accounts, which the President has already vetoed twice. These accounts divert scarce taxpayer dollars to subsidize attendance at private and religious schools. They are also yet another tax break for the wealthy, with 70% of the tax benefits going to the top 20% of wealthiest families.
- **Private and Religious School Vouchers** – Federal funding for school vouchers, which also divert precious public resources to private and religious schools, has also remained a top GOP priority, . For example, on October 21, 1999, more than three-fourths of Republicans voted for an amendment offered by Majority Leader Arney to create a \$100 million program of federally-funded vouchers for private and religious school tuition. Fortunately, it was defeated.
- **Education Block Grants** – Finally, Republicans have also been pursuing their GOP education block grant proposals throughout the 106th Congress. For example, on October 21, 1999, the GOP Congress passed a broad GOP Education Block Grant bill, block-granting three-fourths of federal education programs. For another example, the House Education Committee is currently marking up H.R. 4141, which creates modified education block grants, having the effect of eliminating such programs as Safe-and Drug-Free Schools and After-School as separate programs.

- ***NO Measures to Strengthen Social Security and Medicare***

Finally, the GOP Congress is also leaving town without acting on any measures to strengthen Social Security and Medicare. Democrats are calling for a fiscally-responsible budget that puts Social Security and Medicare first – before massive, reckless tax cut schemes. Specifically, Democrats have introduced legislation to invest the surplus in strengthening Social Security and Medicare, with the following three key elements:

- **A Social Security Lock-Box** – First, Democrats call for guaranteeing that 100% of the Social Security surplus will be saved for the Social Security program. Under the Democratic proposal, there would be a lock-box for Social Security that would lock away the entire Social Security surplus for Social Security and debt reduction.
- **Extending The Solvency of Social Security** – Second, Democrats would ensure that the benefits of the debt reduction that are due to Social Security are used to extend the solvency of Social Security. Democrats would do this by devoting the entire Social Security surplus to debt reduction and then earmarking the interest savings from this debt pay-down to Social Security. These transfers would extend the life of Social Security to at least 2050. By contrast, Republican proposals fail to extend the solvency of Social Security by even one day.
- **Extending The Solvency of Medicare** – Third, Democrats would reserve a portion of the on-budget surplus to strengthen the Medicare program. Specifically, Democrats call for dedicating \$299 billion of the surplus to Medicare over 10 years – which not only adds at least 10 years to the life of the Trust Fund (now projected to become insolvent in 2023), but also reduces publicly-held debt since these funds would not be available for tax cuts or other spending.

In Sharp Contrast, The GOP Uses 98% of the On-Budget Surplus on Tax Cuts

Whereas Democrats believe that a portion of the on-budget surplus should be invested in strengthening Social Security and Medicare, Republicans believe that the on-budget surplus should be dedicated to tax cuts. Specifically, the Congressional Budget Office projects that the baseline on-budget surplus over the next five years, if appropriations keep pace with inflation, will be \$171 billion. The GOP budget resolution conference report calls for \$150 billion going for tax cuts over the next five years. Taking into account the increase in interest payments on the debt that would result from a \$150 billion tax cut, a tax cut of that magnitude would consume \$167 billion – **or 98%** – of the projected \$171 billion on-budget surplus.

It is only by Republicans assuming over \$100 billion in highly unrealistic cuts in non-defense discretionary spending over the next five years that they claim there is room in their budget for a \$40 billion “reserve” for Medicare reform and a prescription drug plan. Indeed, if these highly unrealistic, unspecified cuts in non-defense discretionary spending do not materialize – which appears very likely – then there will be no room in their budget for a prescription drug plan for America’s seniors.